

MEDIA RELEASE
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**FCA response to Federal Govt inquiry findings –
Matthews Report Welcomed by \$128b sector**

With the Federal Government handing down its review of the Disclosure Provisions of the Franchising Code of Conduct today, the Franchise Council of Australia (FCA) welcomes the findings and is ready to work with the Government to improve the \$128 billion franchise market.

Australia's peak franchising representative body, the FCA welcomes the Matthews Report and according to CEO Richard Evans, the sector agrees in principle to the recommendations but remain concerned about further compliance costs.

"With over 70 submissions, the recommendations from the Matthews Report clearly shows the Australian franchising legislative environment is working and is in fact world's best practice," Evans said.

"Although the significant number of submissions has allowed Matthews to provide a meaningful review of the Code and its Disclosure Provisions, there remains a need for small business investors (as franchisees) to investigate in greater depth due diligence requirements before entering a franchise agreement. These requirements are articulated in the Code which have been supported by the Inquiry.

"There is no guarantee of success in any business venture - franchising included - however the Franchising Code of Conduct provides protection for the prospective franchisee. Business failure can happen at any time for any reason - but it can be mitigated with proper due diligence which the Code prescribes.

The FCA leads the sector by providing even greater support to franchisors and franchisees with:

- A Member Standards program - focusing on a fair deal for all;
- A continuing professional development program (FCA Professional) aiming to increase the standard of professionalism of suppliers to the sector; and
- Support for franchisees through the Franchise Advantage program which includes free legal advice.

"All in all, the report states that franchising in Australia is in a good state – which is reflected in recent statistics showing the \$128 Billion sector contributes the equivalent of 14% of GDP to the economy," Evans said.

A more detailed response from the Franchise Council of Australia to the findings will be available by the end of the week.

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